



## TOPIC SEVEN | INCOME SUPPORT TO PROTECT RIGHTS

### Main Takeaways

- *Urgent measures are necessary to provide sufficient income to millions of people who cannot work due to pandemic-related restrictions, so that they can still meet their basic needs. Many of these workers lack social and labor protections.*
- *Basic income schemes vary in type, design and implementation. Those that are universal, durable and unconditional are more rights-aligned. People most vulnerable to destitution at this time should be prioritized – particularly informal workers.*
- *Basic income schemes should be a key component of a more comprehensive social protection system beyond the pandemic. In accordance with human rights standards, governments should mobilize more resources to fund such systems, including through progressive taxation.*

### Why is this topic important in the context of COVID-19?

The pandemic and the measures taken to contain it have deprived millions of their livelihoods. In most cases, existing social protection systems have proved unable to secure the basic needs of those who cannot work, due to circumstances out of their control. Workers in certain sectors—especially informal workers without social and labor protections—are bearing the brunt. Globally, there are 2 billion such workers, some 60% of the global workforce.

Social protection (or social security) describes the policies and programs designed to ensure a dignified standard of living in circumstances such as unemployment, poverty, sickness, disability or old age. It includes social insurance schemes (which workers or employers contribute to) and social assistance schemes (which are primarily publicly funded). Some definitions of social protection also include social services, such as childcare, which can be particularly important in protecting the incomes of women workers.

Austerity has undermined social protection systems across the world. Budget cuts and under-investment have narrowed the scope and scale of programs. Weakened by decades of structural adjustment, social safety nets in low- and middle-income countries are struggling the most.

Income support is a fundamental part of social protection. Adequate income enables people to access the goods and services they need. It boosts agency and protects human dignity. In the context of the pandemic, sufficient income support would mean that people who cannot work from home don't have to choose between exposing themselves to the virus and putting food on the table.

To date, income support measures introduced in response to COVID-19 have been inadequate. For

example, at least 20 countries in Africa are not providing any income support. Even where there is some support, informal workers are often excluded. These workers are described by the ILO as “the missing middle.” As able-bodied adults of working age, they often fall outside of social assistance targeting criteria. But they're also excluded from employment-based social protection. Women, migrants, people of color and other disadvantaged groups make up most of these workers.

Strong social protection systems—that include comprehensive income support—are critical to COVID-19 relief and recovery. They can also serve other important aims. They can improve social stability, compensate workers affected by economic transitions (for example to greener economies) and play a crucial role in redistributing economic resources and power.

### What is being proposed?

Many proposals to secure basic levels of income have been made. The differences rest on:

- the **mechanism** for providing income—e.g., cash transfers or other means, such as job provision;
- whether or not there are **conditions** attached to receiving income;
- who is **covered**—universal programs cover everyone, while targeted programs are only for those who meet certain eligibility criteria;
- whether income goes to **households or individuals**; and
- the **amount** provided, **frequency and duration**.

Examples of income guarantee schemes illustrate these differences:

**Wage protection:** many countries have introduced schemes which cover the wages of formally employed workers, in part or in full, for a fixed period. Exclusion of informal and/or self-employed workers,

who make up the vast majority of workers in low-income countries, is a major concern with such measures.

**Emergency Basic Income (EBI):** these are temporary, non-conditional, and targeted cash transfer programs. Many countries have introduced these in response to the emergency. UNDP recently proposed a temporary basic income for the 2.7 billion people living below or just above the poverty line in “developing” countries. They point out it would cost only one-third of what these countries owe in external debt payments in 2020. In theory, targeting prioritizes those most in need of support. But identifying and reaching the people that fulfill certain criteria is costly and challenging.

**Universal Basic Income (UBI):** this is a transfer provided to everyone, regularly, unconditionally, and in cash. No country has put this in place nationwide. Universality eliminates unjust exclusions, stigma, and the cost of targeting itself. It would prevent politicians using cash transfers as “gifts” to reward loyalty. Concerns about UBI’s cost and its limited redistributive capacity could be offset through progressive taxation, other social protection programs, and quality public services.

**Universal child benefits or social pensions:** are forms of income support for people with children or over a certain age. These can benefit informal workers. Countries with such schemes were able to swiftly increase grants in response to the pandemic.

**Guaranteed Minimum Income (GMI):** this sets an income “floor” for everyone in a country. The amount transferred depends on the gap between a person’s actual income and the floor set. People whose income is above this floor do not qualify.

**Job Guarantee (JG):** governments would offer anyone willing and able to work a job at a living wage. Some advocates link it with the Green New Deal, creating public jobs in the green economy. The GMI and JG options allay fears that UBI or similar schemes would disincentivize work (although recent research finds no evidence of this effect).

## How do these proposals advance human rights?

Most of the world’s governments have signed up to binding international treaties that commit them to guarantee the right to social security and the right to an adequate standard of living. In some cases, guaranteeing these rights means providing people with goods and services when they’re unable to obtain them themselves. Governments have to take concrete steps to guarantee these rights using the *maximum of their available resources* (see [Topic 1](#)). ILO instruments complement and flesh out governments’ human rights duties in this regard.

How far income support schemes can guarantee rights depends on how they are designed (as well as the social protection programs and public services that complement them). Human rights provide a binding framework that must guide the design and implementation of such schemes. In line with this:

Universal schemes are preferable to targeted ones. Governments should take steps towards universal coverage. When universal coverage is impossible, schemes must prioritize reaching those who most need protection (including all those living in poverty and those outside formal employment).

The amount provided must be adequate and guaranteed for the duration needed. Under human rights law, rolling back support that people rely on can only be justified in very limited circumstances. Governments should extend temporary income support schemes—as part of a comprehensive social protection system—in the long term.

Unconditional transfers are preferable to conditional ones. Conditions placed on income support – such as requiring that children attend school – have been shown to entrench unequal distribution of care work.

Schemes must be adequately, equitably and sustainably funded, including through progressive taxation (see [Topic 3](#)). Global action is also crucial to ensure poorer countries can raise the resources they need to realize the right to social security for all their population. Debt relief may be part of this (see [Topic 4](#)). Various organizations have proposed a **Global Fund for Social Protection**, which would be in line with richer countries’ duties to cooperate internationally (see [Topic 2](#)).

As a right, social protection should be viewed as a basic entitlement, not charity. This crisis provides an opportunity to rethink the role and scale of income support, as part of rights-based social protection systems aimed at redistribution and empowerment, complemented by quality public services.

### Critical Questions

- ▶ What measures has your government taken to provide income support in response to the pandemic? Are these measures universal, durable, and unconditional enough to secure the right to an adequate standard of living for all? How do they impact on women differently?
- ▶ Do income support schemes include informal workers? Are they able to participate in the design and implementation of such schemes? What opportunities exist to push for their long-term inclusion in social protection systems?
- ▶ What are the sources available for funding rights-aligned income schemes? For example, could the tax system be made more progressive?